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Our Little Secrets

Bush's Iraq Mess: Getting Worse by the Day

by Patrick Cockburn

A plume of dust and smoke rose from a field just outside Fallujah, west of Baghdad, on November 3, where a giant American Chinook helicopter, crippled by a missile, had crashed and burned, killing at least 18 and wounding another 20 of the soldiers and crew on board. It was the worst single military disaster for the US in Iraq since the war to overthrow Saddam Hussein started in March. It means that the US forces in Iraq may in future days have to rely less on helicopters and use the roads–which in this part of Iraq are almost equally hazardous.

The destruction of the helicopter should underline the speed with which the war in Iraq is intensifying: 16 US soldiers were killed in September, 33 in October and a further 16 in just the first two days of November. It is also spreading north, to the cities of Mosul and Kirkuk. But even as I was driving to Fallujah, just before the helicopter was brought down, I heard on the radio President Bush repeat his old mantra that "the Iraqi people understand that there are a handful of people who do not want to live in freedom."

It is an extraordinarily active handful. I heard from a shopkeeper in the centre of Fallujah that a Chinook helicopter had been shot down on the other side of the Euphrates river, which flows through the town. It was only three or four miles

(**OLS** *continued on page 2*)

From Clinton to Bush: The Contours of Descent

By Alexander Cockburn

My plan here is to describe and extol Robert Pollin's conclusive epitaph on the economic legacy of Bill Clinton, so by way of introduction here's a signpost, pointing along the road many are doomed to follow since Clinton's attack on welfare. I found it planted in a dispatch from Ohio by Julian Borger in the London Guardian on November 3. Borger edifies his readers with an account of a visit to a soup kitchen in Ohio where he reports that "hunger is an epidemic".

Since Ohio went for Bush in 2000, Borger narrates, the state has lost one in six of its manufacturing jobs, many of them on account of the trade policies espoused by Clinton and now Bush. Two million of Ohio's 11 million population resorted to food charities last year, up 18 per cent from 2001. In 25 major cities across the country last year the need for emergency food rose an average of 19 per cent.

Last year another 1.7 million Americans slid below the poverty line, bringing the overall total to 34.6 million, one in eight as a proportion of the population. Over 13 million are children. The U.S. has the worst child poverty and the lowest life expectancy of any industrialized country.

About 31 million Americans, Borger reports, are reckoned to be "food insecure", meaning they don't know where the next meal is coming from. Nine million are classed by the USDA as suffering "real hunger", defined as "an uneasy or painful sensation caused by lack of food due to lack of resources to obtain food".

Now to Robert Pollin's Contours of Descent, subtitled U.S. Economic Fractures and the Landscape of Global Austerity, just published by Verso. Pollin, who teaches at U-Mass, has robust credentials as a highly intelligent, technically reliable economist with a radical backbone. He's been one of the prime architects of the Living Wage movement. You can trust his numbers and understand his prose.

Across his 238 pages Pollin is unambiguous on the career of neoliberalism whose function ever since 1980 has been to hike post-tax corporate profits and get the rich securely back in the saddle: "It was under Clinton that the distribution of wealth in the US became more skewed than it had at any time in the previous forty years." Pollin adds an essential rider to fundamental economic failure within the US. Any US president who claims proudly (as they all do) to be the leader of the free world (excepting the Chinese People's Republic, which currently performs the vital function of financing a huge chunk of the US deficit, thus keeping the whole show on the road) has to take responsibility for the failures as well as the presumed successes. Under the coercions of such US- dominated institutions as the IMF and World Bank, most of the world is worse off than it was quarter of a century ago, at the dawn of the neoliberal era.

Neoliberalism gives us a world of tramps and millionaires, which the populist Ignatius Donnelly stigmatized as the economic emblems of the Gilded Age. Pollin instructs us that within the US under Clinton the ratio of wages for the average worker to the pay of the average CEO rose from 113 to 1 in 1991 to 1 to 449 when Clinton quit. In the world, ex-

(**Descent** *continued on page 3)*

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(**OLS** *continued from page 1)*

away, but on the way we drove past the remains of a US truck which had been blown up two hours earlier by a bomb or rocket-propelled grenade. On the other side of a bridge over the river was a minibus taxi punctured by shrapnel, its interior sodden with blood. Locals claimed it had been hit by a US missile, which killed one passenger and wounded nine others.

But the White House and the Pentagon seem unable to comprehend how swiftly the US political and military position in Iraq is deteriorating. Even after half a dozen rockets hit the al-Rashid Hotel, narrowly missing Paul Wolfowitz, the US Deputy Secretary of Defence and one of the architects of the war in Iraq, US generals in Baghdad were still contending to incredulous journalists that overall security in Iraq was improving.

In his blindness to military reality Mr Bush sounds more and more like the much-derided former Iraqi Information Minister, 'Comical Ali', still claiming glorious victories as the US army entered Baghdad. Every attack is interpreted as evidence that the "remnants" of Saddam's regime are becoming "desperate" at the great progress being made by the US in Iraq.

Two arguments are often produced to downplay the seriousness of the resistance. One is the "remnants" theory: A small group of Saddam loyalists have created all this turmoil. This is a bit surprising, since the lesson of the war was that Saddam Hussein had few supporters prepared to fight for him.

In fact the "remnants" of the old regime have become greater in number since the end of the war. The US occupation authority has been the main recruiting sergeant. It has behaved as if Saddam Hussein were a popular leader with a mass following. It has dissolved the Iraqi army, leaving 400,000 trained soldiers without a job, and sacked Baath party members. A friend, long in opposition to Saddam, told me: "Two of my brothers were murdered by Saddam, I fled abroad, but now they are going to fire four of my relatives because they were forced to join the Baath party to keep their jobs."

Another comforting method of downplaying the resistance is to say it is all taking place in the "Sunni triangle". The word "triangle" somehow implies that the area is finite and small. In fact the Sunni Arabs of Iraq live in an area almost the size of England. Ghassan Atiyah, a distinguished Iraqi historian and political activist, believes that "if the Sunni Arabs feel they are being made second-class citizens they will permanently destabilise Iraq, just as the Kurds used to do".

Mr Bush's solution to all this is to get Iraqis to fight the resistance. The US-run Coalition Provisional Authority, isolated in its fortified headquarters in Baghdad, says it plans to deploy a force of 222,000 police, military, civil defence and other security organisations by next September.

This sounds impressive. But only 35,000 of these will be troops of the new American-trained Iraqi army. There are many police on the streets of Baghdad, and they have successfully reduced crime. But in interviews they always make clear that they see their job as protecting ordinary Iraqis from criminals. They very reasonably have no desire to be pushed into a paramilitary role, for which they are neither trained nor equipped. They do not want to be portrayed as collaborators, particularly in areas where the resistance is strongest and the Americans would need them most. In Fallujah, perhaps the most militant town in Iraq, the police openly say they will not patrol or man checkpoints with US troops. As I was leaving the police station in the town last week, I heard an unseen policeman in a sentry box crooning a patriotic song filled with praise of Saddam Hussein.

The US could have avoided many of its present problems if it had given greater legitimacy to the occupation at an early stage. It can only recruit an effective Iraqi security force, capable of fighting guerrillas, if there is a legitimate Iraqi provisional government. Iraqis simply will not fight if they are asked to join a force which is viewed as an adjunct to an American army. They see no reason why they should be cannon fodder for a foreign regime.

The US could have legitimised the political reconstruction of Iraq in the eyes of Iraqis if it had placed the process under the auspices of the UN. Instead it repeatedly rebuffed the idea. Now, as the last UN foreign staff leave the country, it is probably too late.

Paul Bremer, the head of the CPA, this week pledged to hand over more power to Iraqis. But there is no sign in Baghdad that this is more than window dressing. The US-appointed Governing Council is mostly made up of exiles and nonentities. Only its Kurdish members have a demonstrable constituency in Iraq. It has little authority. Ministers privately complain that US officials in Baghdad simply bypass them and take all the important decisions themselves.

Because the US has sought to monopolise power in Iraq, it has few real allies aside from the Kurds, the smallest of Iraq's three communities. The Sunni Arabs are mostly hostile, and the Shias increasingly so. The only way out for the US - though it is getting very late in the day - is to hold elections to create an Iraqi authority, effectively a provisional government, which Iraqis know they have chosen themselves. A general election would be difficult to organise at short notice. But even a body of delegates chosen by local leaders in each governorate would have some claim to speak for Iraq.

The US toyed with the idea of local elections in mid-summer. But it was frightened off by a fear that the new body would be dominated by Shia clerics or their supporters. The Shia, at least 55 per cent of the population, are eager to show their electoral strength.

The failure to create an elected and legitimate Iraqi provisional government, even if it is an interim administration, will make it impossible for the US to set up a security force that will not be seen as collaborators by most Iraqis. Fallujah, where hatred of the Americans is almost palpable, is not yet a typical Iraqi town, even in Sunni areas, but it may soon become so. CP

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(**Descent** *continued from page 1)*

clusive of China, between 1980 and 1988, and assaying the difference between the richest and poorest 10 per cent of humanity, inequality grew by 19 per cent; by 77 per cent, if you take the richest and poorest 1 per cent.

When there are food riots in Buenos Aires, when bankrupted cotton farmers in Andrha Pradesh, south central India, swallow the pesticides whose "free market" price drove them into bankruptcy, the directors of the world political economy, bunkered down in Washington, should bear responsibility as much as for midwestern farmers in the corn belt who kill themselves amid foreclosure. Of course the directors of World Corp take responsibility for neither, passing the buck to the Higher Power of the "free market".

Pollin's basic picture? "Clinton offered only a mildly less severe version of neoliberal orthodoxy, adhering fundamentally to all its basic tenets. And while the Clinton period did produce gains in GDP and productivity relative to Reagan/Bush, Carter and Nixon/Ford… these favorable developments were the result of an unprecedented financial bubble that government regulators, Alan Greenspan chief among them, were perfectly willing to wave along. Moreover, under the full eight years of Clinton's presidency, even with the bubble ratcheting up both business investment and consumption by the rich… average real wages remained at a level 10 per cent below that of the Nixon-Ford peak period, even though productivity in the economy was 50 per cent higher under Clinton than under Nixon and Ford. The poverty rate through Clinton's term was only slightly better than the dismal performance attained during the Reagan-Bush years." We had a bubble boom, pushed along by consumer-spending by the rich.

Through the Clinton era, as through those of Reagan and both Bushes, the bargaining power of capital to cow workers, to make them toil harder for less real money, has increased inexorably. Speculative rampages were given a green light, never more culpably than by Greenspan in 1996 when he declined to impose the margin requirements that would have quelled what he himself called the irrational exuberance of the stock bubble.

The bubbling tide in the late Nineties did raise boats, in a class-based version of mechanics. The yachts of the rich lofted magnificently on the flood. Meaner skiffs rose an inch or two. In those bubble years businesses needed more workers, and for a brief moment the labor shortage gave them some leverage to get more pay. But no one rates Daedalus's skills as a flight designer by Icarus's brief gain in altitude.

At the end of eight years, when the bubble tide had ebbed, what did workers have by way of a permanent legacy? Clinton, Pollin bleakly concludes, "accomplished almost nothing in the way of labor laws or the broader policy environment to improve the bargaining situation for workers… Moreover, conditions under Clinton worsened among those officially counted as poor."

Nowhere is Pollin more persuasive than in analysing the causes of the fiscal turnaround from deficit to surplus, an achievement that had Al Gore in 2000 pledging to pay down the entire federal debt of $5.8 trillion. Was this turnaround the consequence of economic growth (producing higher tax revenues), along with the moderate rise in marginal tax rates on the rich in 1993? If indeed these were the causes of the shift to budget surplus, we might take a benign view of Clinston's fiscal policies. On the other hand, if surplus was achieved by dint of hacking away at social expenditures and at social safety nets, plus gains in capital gains revenues stemming from the stock market bubble, then progressives, even Democratic candidates, might not so eagerly extol the Clinton model.

Real hunger: "an uneasy or painful sensation caused by lack of food due to lack of resources to obtain food."

In a piece of original and trenchant analysis Pollin shows that almost two thirds of Clinton's fiscal turnaround can be accounted for by slashes in government spending relative to GDP (54 per cent) and on capital gains revenues (10 per cent). Pollin then asks an all-important question. Suppose there really had been a peace dividend after the end of the cold war was won? It's true that the military budget did fall from 4.7 to 3 per cent of GDP, but suppose there had been a real drop from the bloated military budget of $295 billion in 2000.

Pollin gives us an answer. "What if, as one extremely modest peace dividend initiative, federal spending in education had been permitted to remain at exactly its 1992 level relative to GDP rather than falling by nearly 24 per cent over the Clinton presidency? This policy would have generated an additional $16.8 billion in educational spending in 2000 alone. It would have reduced the 2000 surplus by 7 per cent, to $220 billion. But assume the additional funds were divided evenly between hiring new teachers, awarding $10,000 scholarships to college students, and building new average-sized high schools. This small peace dividend alone would have meant roughly 100,000 new teachers, 560,000 more scholarships, and 1,400 new high schools."

It's hard to photograph a foregone opportunity. CNN can take pictures of expensive military equipment, mostly missing its targets in Baghdad. It can't photograph all those smiling kids with their scholarships, standing in front of all the cleaned up or newly built schools. Any more than the scholarships, the schools aren't there. Clinton never built them. He and his wife preferred to demonize teenage black moms, while Robert Rubin jumped ship to reap the rewards of deregulation of the finance sector by running Citigroup and Larry Summers went off to be president of Harvard. Wall Street applauded the surpluses and the ordinary folk are carrying the costs of all those slashes in the budget: fewer teachers, a dirtier environment.

The neoliberals don't have an answer to long-term economic slide downwards. On the domestic front Krugman flails at the easy target of Bush2 and holds up to ridicule Bush2's handouts to the rich, implying that all was well until January, 2001. It only took one good quarterly report of 7.2 per cent growth , announced at the end of October this year, for the headlines to blare the news of a record-breaking Bush turnaround. Anyone not in the pay of the Republican National Committee knows this is unsustainable, briefly powered by tax cuts and by mortgage refinancing, as Louis Uchitelle very properly pointed out in the New York Times on November 3, the Monday after the weekend's business-page triumphalism. "The depressive phase" he wrote, "may kick in again soon as growth slows and millions of American workers struggle to make up for lost incomes."

(**Descent** *continued on page 6)*

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Hillary Clinton Takes a Dive
Inside America's Most Dangerous Nuclear Plant

By Jeffrey St. Clair

These are desperate days for Entergy, the big Arkansas-based power conglomerate that owns the frail Indian Point nuclear plant, located on the east bank of the Hudson River outside Buchanan, New York—just 22 miles from Manhattan.

First, a ferocious report by a nuclear engineer fingered Indian Point as one of the five worst nuclear plants in the United States and predicted that its emergency cooling system "is virtually certain to fail". This disquieting disclosure was swiftly followed by the release of a study conducted by the Los Alamos National Laboratory for the Nuclear Regulatory Commission which ominously concludes that the chances of a reactor meltdown increase by nearly a factor of 100 at Indian Point because the plant's drainage pits (also known as containment sumps) are "almost certain" to be blocked with debris during an accident.

"The NRC has known about the containment sump problem at Indian Point since September 1996, but currently plans to fix it only by March 2007," says David Lochbaum, a nuclear safety engineer with the Union of Concerned Scientists. "The NRC cannot take more than a decade to fix a safety problem that places millions of Americans at undue risk."

Entergy and the NRC both downplay the meltdown scenario and defend the leisurely schedule of the planned repairs, which won't get under way for four years. Entergy says there's no rush to fix the problems with the emergency system because a breakdown isn't likely in the first place. But that's waltzing with the Apocalypse. Entergy and the NRC are staking the lives of millions on odds of a single water pipe not breaking under pressure. The problem is that these very kinds of pipes have corroded and been breached at other nuclear plants featuring similar pressurized water design.

At the notorious Davis-Bessie plant near Toledo, Ohio, a vessel head on one of the cooling water pipes had been nearly corroded away by acid and was dangerously close to rupturing. The cooling water in these pipes is kept at a pressure of 2,200 pounds per square inch. If a pipe breaks, the 500-degree water would blow off as steam, tearing off plant insulation and coatings. The escaped water would pour into the plant's basement, where sump pumps are meant to draw the water back into the reactor core.

But the Los Alamos tests showed that the cooling water would collect debris along the way that will clog up the mesh screens on the pipes leading back into the reactor. If this happens, the cooling of the reactor fuel would stop, the radioactive core start to melt and the plant belch a radioactive plume that will threaten millions downwind.

All this would happen very fast. The Indian Point 2 reactor would exhaust all of its cooling water in less than 23 minutes, while the number 3 reactor would consume all of its water in only 14 minutes. Try getting a nuclear plumber that quickly.

Yes, it sounds trite, but that's essentially what Entergy proposes as its quick fix to the meltdown scenario. Jim Steets, Entergy's spokesman on Indian Point matters, told the New York Times last month that the company was training its workers to scour the plant for flaking paint and potential debris and that if an accident occurred they would pump the water into the core more slowly, a plan that would buy plant managers and executives a few more minutes to flee the scene. Where people would go and how they would get there in the event of a nuclear meltdown or other radioactive release at Indian Point is unclear.

"The current radiological response system is not adequate to protect the people from an unacceptable dose of radiation in the event of a release from Indian Point."

In September 2002, New York Governor George Pataki commissioned a report on Indian Point's evacuation plan. He picked James Lee Witt, the former Rose Law Firm attorney who served as head of FEMA during the Clinton administration, to oversee the investigation. At the time, Pataki said he would support closure of the plant if Witt's report revealed that communities near the plant could not be safely evacuated.

Witt submitted his report on January 10, 2003. While somewhat timid and cautious, Witt concluded that Entergy's off-site evacuation plans for Indian Point were woefully inadequate. He wrote: "It is our conclusion that the current radiological response system and capabilities are not adequate to overcome their combined weight and protect the people from an unacceptable dose of radiation in the event of a release from Indian Point, especially if the release is faster or larger than the design basis release."

In the end, Witt concluded that it was not possible to fix the evacuation plan, given the problems at the plant, the density of the nearby communities and looming security threats.

This sobering scenario was followed by news that a review of the company's security record revealed that Entergy, in cahoots with the NRC, faked a test designed to determine whether the plant is vulnerable to a terrorist attack. In an August letter, the NRC assured members of Congress that Entergy had developed a "strong defensive strategy and capability" for the plant and passed with flying colors a so-called "force-on-force" test, a mock assault.

It turns out, however, that the NRC gave Entergy officials months of advance warning about the test and then, as the Indian Point team cribbed for the exam, dumbed down the assault to ensure that they would pass. Most assessments by the CIA and other intelligence agencies suggest that an assault on a nuclear plant would require a squad-sized force of between 12 and 14 attackers, who would assault the plant by night, armed with explosives, machine guns with armor-penetrating bullets, and rocket-propelled grenades.

This isn't the attack that was repelled by the Entergy security team. Instead, Entergy's men battled off a squad of 4 mock terrorists, armed only with hunting rifles, who attacked

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the plant in broad daylight. Moreover, the attacking squad weren't former Delta Force operatives trained in terrorist tactics, but security officers from a nearby nuclear plant who assaulted the plant from only one point after crossing open fields in plain view of Indian Point's security guards.

Just to make sure that there were no surprises, the Entergy security team, which consisted largely of guards hired only for the test, was warned that a mock attack would take place sometime within the next hour. Even under these rigged conditions, Entergy barely passed the security test.

Environmentalists and anti-nuke activists living near the plant hoped this would be the final straw for the aging reactor. They marshaled their evidence of safety violations, inept evacuation plans and lax security and headed off to the offices of one of the most powerful Democrats in America, Hillary Clinton. But Hillary has remained about timid as Pataki on Indian Point, issuing robotic requests for more studies but refusing to call for the plant's closure. Not that her words mean much. One month she pledged to filibuster the nomination of Utah governor Mike Leavitt for director of the EPA. The next month she ended up voting to confirm his nomination.

Of course, Hillary's ties to Entergy are almost primal. The Little Rock-based Entergy Corporation, which once employed John Huang, the conduit to the Lippo Group, was one of Bill Clinton's main political sponsors, shoveling more than $100,000 into his political coffers from 1992 to 1996.

The more plaintive the cries for Indian Point's closure, the more money Entergy spreads around to politicians with reputation for flexibility in these matters. Already this year, Entergy's New York Political Action Committee—ENPAC New York—has doled out more than $25,000 to New York politicians alone. Everyone got into the act from Pataki and Clinton to Democratic congressman Eliot Engel to lowlier footsoldiers for the nuclear plant, including two state assemblymen, commissioners from Westchester and Orange counties, Bronx Borough president Adolfo Carrion and state comptroller Alan Hevesi, whose election campaign was endorsed by the Sierra Club.

Political money isn't the only tool in Entergy's bag of tricks. In late October, community activists in the Bronx reported that emissaries from Entergy were canvassing black and Hispanic neighborhoods in New York City and Westchester County with an ominous warning: if Indian Point closes, air quality in urban areas will deteriorate and more blacks and Hispanics will develop respiratory illnesses. The Entergy reps told people that new coal-fired power plants would be built in their neighborhoods and urged them to sign a petition.

"In recent years, nearly all proposals for new power plants in New York state have been in or adjacent to areas with high concentrations of people of African descent and Latinos," a memo handed out at the door warns. There is, naturally, much truth to this claim. and Entergy is in a unique position to know. since throughout the southeast it has targeted its power plants in black neighborhoods, where it has heralded them as being economic engines for impoverished communities.

The pro-nuke canvassers also carried cellphones as they went from door to door. They hit the speed dial number of a local legislator, handed the phone to the resident and then prompted them on how to express their concerns about the possible closure of Indian Point.

The petition drive, which discreetly bypassed the 13 predominately white districts in Westchester County, was run by a group calling itself by the lofty-sounding name: the Campaign for Affordable Energy, Environmental & Economic Justice. The group was supposedly based in Manhattan. In fact, it was created and wholly funded by Entergy.

"This is a sham front group fabricated by the nuclear industry to scare black and low income people," says Susan Tolchin, a staffer for Westchester County Executive Andrew Spano, who supports closing the Indian Point plant. "It's an outrageous and disgusting attempt to exploit the minority community for corporate greed." CP

Feisty Nader Leaves Third Party Run Open

The phone rang and it was Ralph Nader, calling to thank coeditor Cockburn for sticking it to Paul Krugman, who wrote some silly broadsides against Nader's run in 2000.

Odd you should call, we said, and told him we'd just written a piece in the last CounterPunch questioning whether it was worth him running again. The mouldy cabbages thrown at him last time would look like a handful of confetti compared with garbage he should expect from the Democrats if he runs again in 2004.

Nader was ebullient, and though he insisted he was keeping his options open he sounded to us distinctly like a man eager to seize the baton again and gallop around the presidential track. He insisted that in the larger democratic interest, as a matter of the highest civic duty, the option of a Third Party candidacy has to be kept open, and that just as it was the US Supreme Court and not him who had taken Florida away from Al Gore, so too it was highly unlikely he would cost any Democrat the White House in 2004. And we need not just a Third Party, but a Fourth and Fifth. Nader expanded on the growing anger at Bush on the Republican right and speculated that it was just possible Bush could be challenged from the right.

We told Nader that along with the 25 per cent in a recent USA Today poll who want him to run there are many CounterPunchers who'd be happy to see him on the hustings and in the debates making fools of the two major candidates, just as there are many CounterPunchers who also wouldn't mind seeing a Republican libertarian like Ron Paul mess things up for Bush.

Let a hundred flowers bloom.

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Along with the "Keynes problem" and the "Polanyi problem" (the social irresponsibility of speculative capital), Pollin invokes the "Marx problem", which focuses on the fact that capital gets an essential vitamin from the "reserve army of the unemployed", meaning such desperate folk as rushed in to grab the jobs when the UFCW recently put up pickets outside Safeway, Albertsons and Ralphs in California when the employers demanded cuts in health and kindred benefits.

In the overall economy the reserve army is swelling, just as reservists are increasingly manning US forces, as against the permanently employed forces of former times. The part-time soldiers recruited under neoliberalism's colors are being deployed against the fourth-generation warriors in the Third World that neoliberalism has played a huge share in creating. On the domestic front Uchitelle cites a Bureau of Labor Statistics survey of 10,000 people tracked since 1979 when "most were teenagers and the permanent layoff was just becoming a national phenomenon. They are in their 30's and 40's now, and over the years each has held, on average, 9.6 jobs." There's a chilling guide to the new economy.

You think the next Democratic nominee is going to address the long and short-term horrors engendered by the neoliberal credo to which Clinton paid such fealty? Of course not. What, at minimum, has to be done to change things for the better? Pollin doesn't shirk the question, and in his final chapter he sketches answers that steer past easy rhetorical flourishes about trade protections. If we are to move towards a world in which families don't have to line up outside churches in Ohio to stay alive and teenagers don't have to work for 20 cents a day in Third World sweatshops, we have to have policies here that promote full employment and income security.

Such policies would have to include a strengthening of workers' legal rights to organize, to form unions, and to fight on a level playing field when it comes time to go on strike. To get a measure of fairness and stability in the financial system financial institutions would have to obey asset-based reserve stipulations, of which one example would be the margin requirements

"No one rates Daedalus' skills as a flight designer by Icarus' brief gain in altitude."

Greenspan failed to impose in September, 1996. This same policy instrument could be used to channel credit to socially beneficial projects such as low-income housing.

Despite the best efforts of our doctrinal leaders, the moral sentiments of the people are not entirely corrupted. Consumers, for example, are prepared to pay a premium if they can be assured they are buying products not made in sweatshops. And third-world countries need not survive only under the sweatshop regimen praised by Krugman as "tremendous good news" also by his colleague at the Times, Nicholas Kristof. Third world countries have to return to the somewhat protected conditions encouraged in the development policies of an earlier era, without agencies of the US government decreeing that their reformers and their union organizers be murdered by death squads.

The bottom line belongs to Karl Polanyi who argued in his 1944 masterpiece The Great Transformation, engendered amidst the Great Depression of the 1930s, that (in Pollin's explication) "for market economies to function with some modicum of fairness, they must be embedded in social norms and institutions that effectively promote broadly accepted notions of the common good. Otherwise, acquisitiveness and competition – the two driving forces of market economies – achieve overwhelming dominance as cultural forces" in the utter corruption of moral sentiments. An open trading system that benefits the Third World can be achieved, but only if, in the industrial First World, we have effective social protections, in Pollin's words, "to promote standards of fairness and social solidarity that a free market economy undermines."

You won't be hearing these ideas from Howard Dean. From him you'll get what you got from Bill Clinton, and what as a consequence, in even more repellent form, you're now getting from George Bush. As Pollin stresses, "the general requirement of product differentiation in an electoral market entails that at the margin any Democratic President will offer more social concessions than a Republican of the same cohort. But we should be careful not to make too much of such differences in the public stance of these two figures, as against the outcomes that prevail during their terms in office."

Go to Ohio, or almost anywhere, and examine the outcome of the Clinton years.

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